

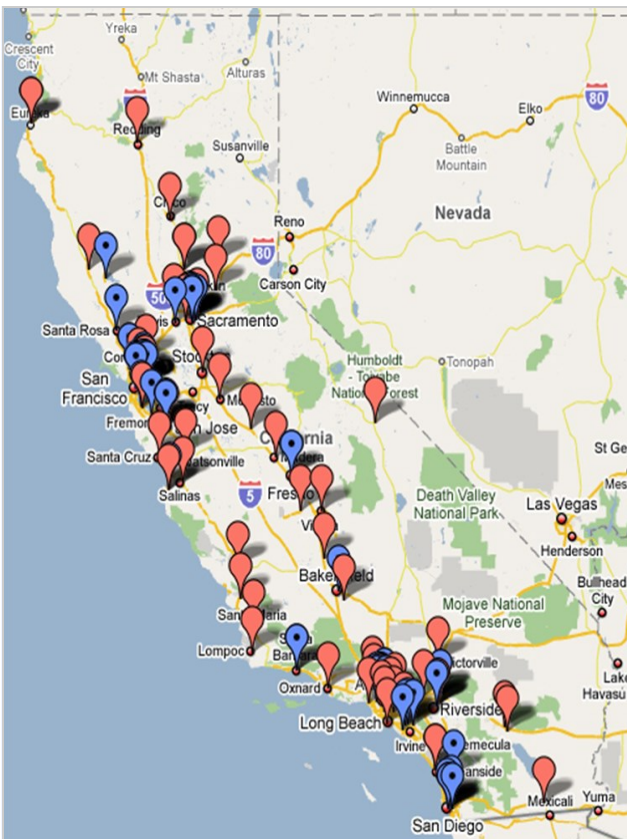
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Legal Aid in the Community

Civil legal aid is a powerful tool. It enables people living in poverty to stabilize their lives so they can create a better future for themselves, their families, and our communities. When individuals need access to justice to avoid homelessness, prevent domestic violence, claim earned wages, or keep children in school or when communities need legal help to create affordable housing, preserve public transit corridors or establish micro-businesses, California's legal aid organizations are there to help. Legal aid advocates make sure that otherwise vulnerable Californians can keep a roof over their heads, food on the table, and their families together. These services minimize social and financial displacement and benefit not only the low-income clients but society as a whole.

Unfortunately, revenue from one of the core sources of funding for legal aid, the Interest on Lawyers' Trust Accounts (IOLTA) dropped from \$22.7 million in 2008, hovering below \$7 million since that time. While legal aid programs and the low income clients that they serve have yet to recover the ground lost, as we closed the 2016 year, there were new threats to federal funding of legal aid on the horizon.



California has one of the Most Diverse, Complex, Rich and Coordinated Legal Services Delivery Systems in the Nation

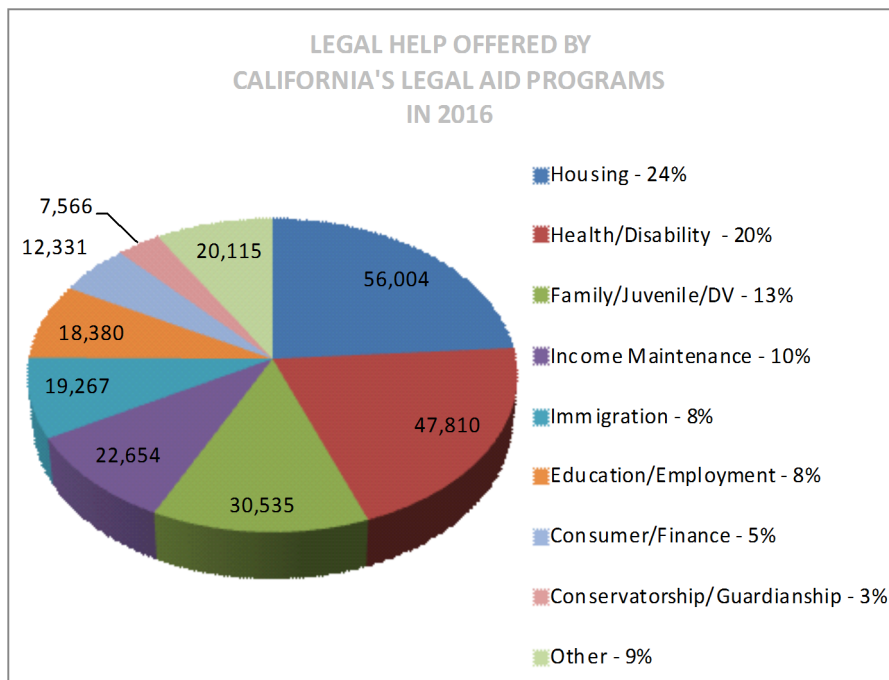
- Ninety-four separate nonprofits received IOLTA funding in a network of legal aid organizations that provide or support free civil legal services to low-income Californians.
- These programs serve every county in the state, and base their legal work on locally-set priorities.
- Legal aid nonprofits enlist volunteer attorneys, law students and social service experts to expand the resources available for the delivery of legal aid.
- These nonprofits leverage their effectiveness by forming broad and creative partnerships with each other, the courts, local, state and federal government, community-based organizations, law schools, law firms and others, to share resources and coordinate service delivery.

Who is Served by Legal Aid?

Legal aid organizations receive IOLTA funding to serve clients who meet statutory criteria:

- “Indigent” clients are those earning 125% or less of the federal poverty threshold (currently \$30,750 for a family of four);
- For programs that deliver services primarily through volunteer attorneys, the income threshold is slightly higher at 75% or less of the maximum levels of income for lower income households as defined in the Health and Safety Code;
- Clients who are eligible for Supplemental Security Income, or free services under the Older Americans Act or Developmentally Disabled Assistance Act, are eligible without income restrictions, although most of these clients in fact are indigent.

The IOLTA program was established by statute to “expand the availability and improve the quality of existing free legal services in civil matters to indigent persons, and to initiate new programs that will provide services to them.” [California Business & Professions Code §6210 et seq.]



Where do the IOLTA Dollars Go?

2016 SCHEDULE OF GRANT ALLOCATIONS IN DOLLARS BY COUNTY

| COUNTY | TOTAL | COUNTY | TOTAL | COUNTY | TOTAL |
|--------------|-----------|-----------------|---------|----------------------------------|-----------|
| Alameda | 296,870 | Marin | 31,490 | San Mateo | 95,480 |
| Alpine | 270 | Mariposa | 3,980 | Santa Barbara | 106,620 |
| Amador | 6,300 | Mendocino | 27,810 | Santa Clara | 293,110 |
| Butte | 69,670 | Merced | 99,400 | Santa Cruz | 58,840 |
| Calaveras | 7,770 | Modoc | 3,430 | Shasta | 49,860 |
| Colusa | 5,280 | Mono | 2,650 | Sierra | 860 |
| Contra Costa | 181,220 | Monterey | 112,140 | Siskiyou | 14,190 |
| Del Norte | 8,590 | Napa | 23,540 | Solano | 80,360 |
| El Dorado | 26,460 | Nevada | 18,500 | Sonoma | 93,350 |
| Fresno | 364,820 | Orange | 600,350 | Stanislaus | 163,100 |
| Glenn | 8,670 | Placer | 49,550 | Statewide | 1,666,192 |
| Humboldt | 41,220 | Plumas | 4,960 | Sutter | 27,830 |
| Imperial | 62,230 | Riverside | 578,413 | Tehama | 19,810 |
| Inyo | 3,730 | Sacramento | 389,240 | Trinity | 4,130 |
| Kern | 297,390 | San Benito | 11,860 | Tulare | 187,580 |
| Kings | 44,760 | San Bernardino | 584,102 | Tuolumne | 12,580 |
| Lake | 24,740 | San Diego | 702,270 | Ventura | 147,680 |
| Lassen | 6,010 | San Francisco | 171,530 | Yolo | 56,710 |
| Los Angeles | 2,808,152 | San Joaquin | 197,580 | Yuba | 23,970 |
| Madera | 52,070 | San Luis Obispo | 56,820 | Grand Total: \$11,088,089 | |

Legal Aid Helps Low-income Individuals in Crises, Supports Economic Self-sufficiency and Builds Strong Communities

Legal aid organizations have developed an array of strategies and partnerships to ensure effective services. Services range from representing clients in administrative hearings to litigating impact cases that help low-income people throughout California.

By being there when people have nowhere else to turn, legal aid helps individuals in crises.



- Domestic Violence. By keeping people safe, legal aid reduces public medical expenses, alleviates the cost of law enforcement, and contributes to healthy communities.
- Health Care. Legal aid serves as a safety net for low-income consumers, and helps to ensure all communities have access to quality health care.
- Senior In-Home Care. Legal aid helps seniors obtain in-home supportive care to prevent the much higher cost of a nursing home, and helps people with disabilities avoid unnecessary institutionalization.
- Safe Housing. Legal aid prevents wrongful eviction and forces slumlords to repair tenant housing, reducing demand on shelters and revitalizing communities.

Legal aid ensures that individuals receive the support they need to become economically self-sufficient and productive members of society.

- Education. By making sure that children have access to education and receive adequate supports to succeed in school, legal aid organizations give the next generation of children the tools they need to break the cycle of poverty.
- Tax Credits. Many legal aid organizations help low-wage earners claim earned income tax credits (EITC). One California organization in one year brought over \$12 million in EITC to low-wage workers.
- Employment and Economic Development. By preventing workplace abuses, legal aid ensures that employees are safe, healthy and receive their earned wages. Legal aid organizations also provide legal advice to entrepreneurs and micro-businesses in low income neighborhoods.

Legal aid fosters community development in partnership with community-based organizations, developers, and government.

- Affordable Housing. Legal aid programs partner with developers to obtain necessary affordable housing land use approvals, and with community organizations to enforce affordable housing laws. Recently a legal aid organization brought over \$20 million in affordable housing units to East Palo Alto, at the same time fostering a partnership with the affected tech company to urge other companies to do the same.
- Revitalization. Whether it is working to facilitate construction of a shopping center, to develop local childcare facilities, or to support new entrepreneurs, legal aid brings new jobs and provides neighborhood resources that strengthen and revitalize the community.
- Transportation. Recognizing the connection between transportation and economic well-being, legal aid programs preserve and develop transportation corridors. For example, a rural legal aid advocated for public transportation between Sacramento jobs and distant towns where poor people live.

The “Justice Gap” — the Disparity Between Resources and Need

- Not only did IOLTA revenue drop over 80% between 2008 and 2014, but other sources of funding including government grants and contracts, foundation funding and private giving, were negatively affected by the economic downturn. Although interest rates are slowly climbing, new factors are impacting funding for social network programs.
- Sadly, not only are organizations seeing an increase in the number of clients, but those clients are in deeper crisis. More people who previously were stable are losing their jobs, their housing, or their healthcare – any one of which could result in serious social costs.
- 71% of low-income households in the United States have experienced a civil legal problem in the last year. The rate is even higher for some households with survivors of domestic violence or sexual assault (97%), with parents/guardians of kids under 18 (80%), and with disabled persons (80%).

Number of Eligible Clients per Legal Aid Lawyer in 2015

| | |
|---|-----------|
| Number of Californians below 125% of Poverty | 8,100,000 |
| Approximate Number of FTE Legal Aid Lawyers | 1,072 |
| Number of Eligible Clients per FTE Legal Aid Lawyer | 7,556 |

Rural Californians

Rural Californians face particular obstacles. A greater percentage of rural Californians:

- Speak a language other than English;
- Have limited formal education, resulting in low literacy; and,
- Are geographically isolated.

Additionally, rural legal service delivery is more challenging because of:

- Lack of transportation;
- Inadequate access to technology; and,
- A dearth of other resources, such as pro bono attorneys, law libraries, and law schools.

Yet funding for legal services in rural areas lags behind urban funding. For example, as of 2015 the three northernmost counties in the state average \$15 per poor person in legal aid dollars annually, compared to an average of \$63 per poor person in the urban Bay Area.

The Outlook for Legal Services

Without additional resources, legal aid programs face significantly reduced capacity to provide services, just as demand is on the rise. However, the State Bar is committed to helping the IOLTA-funded legal aid programs serve those who otherwise have nowhere to turn, including by linking legal aid to expanded partnerships that leverage services, recruit new volunteers and, of course, provide crucial funding. Our growing partnerships go beyond the private bar, to policymakers, business and civic leaders, and most recently, the financial institutions that hold IOLTA accounts. Together we can ensure that legal aid organizations can continue to deliver cost-effective services that strengthen the communities they serve.